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Application of Appalachian Power Company for approval of a 100% renewable energy rider

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2019 Annual Report on Rider WWS

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BOUNDLESS ENERGY

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May 1, 2019

Via Electronic Filing

Hon. Joel H. Peck, Clerk State Corporation Commission Document Control Center Tyler Building – First Floor 1300 East Main Street Richmond, VA 23219-4074

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Application of Appalachian Power Company For approval of a 100% renewable energy rider pursuant to § 56-577 A 5of the Code of Virginia Case No. PUR-2017-00179

Dear Mr. Peck:

Pursuant to the provisions of Ordering paragraph 3 on Page 8 of the Commission's January 7, 2019 Final Order in Case No. PUR-2017-00179, enclosed is Appalachian Power Company's Annual Report on the progress of its 100% renewable energy rider.

Noelle J. Coates

Enclosure

cc: K. Beth Clowers, Esq. Ashley B. Macko, Esq.

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Service List

Appalachian Power Company Case No. PUR-2017-00179 Rider WWS Annual Report

Summary

This report will cover the status of Appalachian Power Company's (the Company)100% renewable energy rider, Rider Wind Water Sunlight (Rider WWS), which was approved by the State Corporation Commission of Virginia (the Commission) pursuant to § 56-577.A.5 of the Code of Virginia.

In the Rider WWS Order, the Commission ordered the Company to file an annual report on May 1, commencing in 2019, that sets out the sources, vintages, quantities, and WWS premium rate of Renewable Energy Certificates (RECs) retired on behalf of Rider WWS customers; and (2) the sources, vintages, quantities, and prices of RECs sold to third parties from RPS resources.

Rider WWS

Rider WWS will provide participating customers with 100% of their energy and capacity from resources that generate "renewable energy," as defined by Section 56-576. These "wind, water and sunlight" resources in the WWS Portfolio include the Beech Ridge, Grand Ridge, Fowler Ridge, Bluff Point and Camp Grove wind facilities, and the Summersville, Buck, Byllesby, Claytor, Leesville, London, Marmet, Niagara, and Winfield hydro facilities. As the Company adds renewable resources (including solar) to its overall generation mix, these resources will become part of the WWS Portfolio.

Program Implementation Update

Program Design

A revised Rider WWS was submitted to Commission Staff in accordance with ordering paragraph (2) in the Rider WWS Order. On February 19, 2019 the Commission Staff accepted the Company's revised Rider WWS filing. Since that time the Company has worked to incorporate the Rider into the Company's tariff and the billing system. Additionally, the Company expects to provide customers with the ability to sign up for Rider WWS via the Company online website. This website will also serve as a tool to educate customers about both the attributes and renewable resources that make Rider WWS a unique offering. The online website information is expected to be available to customers in the second quarter of 2019.

¹ Order Approving Tariff at 5-6, Application of Appalachian Power Company For approval of a 100% Renewable Energy Rider pursuant to § 56-577 A 5 of the Code of Virginia, Case No. PUR-2017-00179, Doc. Con. Cen. No. 190110100 (Jan. 7, 2019) (Rider WWS Order).

Appalachian Power Company Case No. PUR-2017-00179 Rider WWS Annual Report

Customer Participation

Interest in the program is growing in the commercial, industrial, and educational customer groups from across the Company's entire Virginia service territory. The Company has recently signed a residential customer without the benefit of the full implementation of the customer outreach plan described below.

Customer Outreach Plan

The Company is establishing a customer outreach plan (Attachment A) to coincide with the ability of a customer to sign up for Rider WWS online via the Company's website. In addition to updates to the Company's website, the Company expects to use additional forms of communication to increase educational awareness to customers throughout our Southwest Virginia footprint. These efforts include bill inserts and bill messages, editorial board visits and commentaries, customer visit materials and social media outreach. Additionally, the Company intends to educate Virginia Economic Development Teams about the ability for Rider WWS to compliment a customer's desire to meet green energy initiatives.

Status of Solar Development

The Company expects to begin receiving solar energy from its Depot solar facility (Rustburg, VA) in 2021. In addition, the Company has completed an RFP for up to 200MW of solar generating facilities in the Commonwealth, consistent with its requirement under Enactment Clause 21 of the Grid Transformation and Security Act.² The Company expects to seek Commission approval for one or more facilities as a result of the RFP with expected inservice dates in 2021.

Data to be Submitted in the Future

In accordance with ordering paragraph (3) of the Rider WWS Order, the Company intends to remit the following information in future annual reports: (1) the number of participants, by schedule class; (2) the monthly load associated with participating customers (3) the financial allocation of Rider WWS charges and credits (4) the sources, vintages, quantities, and WWS premium rate of RECs retired on behalf of Rider WWS customers; and (5) the sources, vintages, quantities, and prices of RECs sold to third parties from RPS resources.

² 2018 Va. Acts c. 296.

APPROACH

Education and awareness efforts of WWS will include the following options:

- News Release in Va. service-area and key state media markets; internal messages
- · Bill inserts, bill messages
- Editorial board visits/Commentaries
- Social media (Facebook, Twitter); this includes boosts and ads as funded
- · Talking points for internal use
- Updates to the Appalachian Power website
- Sign up process
- Outreach to Va. targeted customers
- Outreach to Va. economic development teams

News Release

Draft and distribute news release(s) that will kick off outreach and marketing of the program in the Virginia market. A mid-year review of whether additional media outreach should be included.

Bill Inserts

A bill insert touting the rider will be sent once throughout our Virginia service territory. The plan is to distribute around May/June depending on availability of mailing space.

Editorial Board Visits/Commentary

Part of our Corporate Communications work plan is to increase editorial board visits throughout the service area. Within Va., this message could become a primary topic for Chris Beam or could be one of several. If the local paper does not have an editorial board, Corp Comm will prepare a message in a commentary format or as a main news/consumer story in accepting newspapers. This would tentatively be planned for the summer time period and into Fall.

Social Media (Facebook, Twitter)

Through the use of general posts, boosted posts and purchasing ads, we will push the program during 2019. Using at least 10 social media posts a year, we will promote our work with the program, success stories when available, and details of how people can sign up.

Talking Points

For leadership, external affairs managers, customer services and others, talking points on the program will be created. The talking points will include:

- History of the program
- How it works; where the power originates
- How it impacts customers and the company
- · Benefits for business, economic development
- How to sign up

Updates to the Appalachian Power website

Update the Appalachian Power website with signup information and other key talking points. Allow the process to be completed on-line if possible.

Bill Messaging

Include messages on bills from during May-July with contact/referral information for customer. This messaging will be reviewed to determine impact and potential placements down the road.

Outreach to targeted Virginia Customers

Appalachian will use targeting and demographic resources to determine appropriate audience for outreach. Communications could be accomplished via electronic or snail mail solicitation. A separate document with specific information may have to be created. Additionally, outreach can focus on collegiate customers as well as others who submitted letters to the SCC as part of the company's filing regarding the rider.

Outreach to Virginia Economic Development Teams

The Rider WWS will be a possible attraction for potential new business that could relocate and have committed to renewable energy for that plant. This should become a part of Appalachian's pitch in Virginia and be part of the portfolio that state economic development staff use when showing the area we serve.

Key Action Steps

2019 WWS Communications Plan

Timeline	Action Step
January 2019	APCO Now story
March 2019	Customer solutions center ready to sign up a customer
May 2019	Update website content
May 2019	Develop/distribute news release
May 2019	On-line sign up
3 rd Quarter	Rider WWS information for Virginia customers contacting the call center
TENT. May- December 2019	Post on Twitter and Facebook about the program; prepare weather

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	related topics (sunny, windy forecasts)
May 2019	Develop rack card (similar to that created for 2018 open houses) at Virginia home shows, other open house events
May, June, July and further review	Place bill messages on Va. bills
June 2019	Develop content for outreach to targeted customers; email or post
TENT July 2019	Plan and place bill insert as available
October 2019	Create Economic Development Outreach materials

CERTIFICATE OF SERVICE

I hereby certify that on this 1st day of May 2019 a true copy of the foregoing was delivered by hand, or mailed electronically or first-class, postage prepaid, to the following:

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